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Date: 28 JUN 1963

MEMORANDUM OF UNDERSTANDING

SUBJECT : Research and Laboratory Facility

REFERENCE : Memorandum to Deputy Director of Central Intelligence, Subject: Agency Controlled Research and Training Facilities

1. The above reference sets forth concepts involved in the establishment of a research and laboratory facility in the departmental area. Each Assistant Director of the DD/R reviewed this document and approved in principle objectives contained therein. The extent each Office would participate in the funding of the corporate entity is to be found in Tab "B" of reference. According to estimates established therein, the facility was to cost the Offices of the Deputy Director (Research) approximately [redacted] 25X1 each fiscal year to maintain. In reviewing this project both the Deputy Director (Research) and the Assistant Deputy Director determined that the scope of the project would have to be reduced before they would concur in the establishment of the facility.

2. The attached memorandum addressed to the Director of Logistics represents a revised action paper for the establishment of a laboratory facility under the reduced scope. Participation in this project would be as follows: 25X1

- (A) Office of Research and Development [redacted]
- (B) Office of ELINT [redacted]
- (C) Office of Special Activities [redacted]

TOTAL [redacted]

Respective Offices will be notified of the date of the bidders conference so that representation from each may participate in the conference.

NRO and OSD review(s) completed.

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3. It is requested that each Assistant Director
approve this Memorandum of Understanding based on the
funding levels set forth in paragraph two above.

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Assistant for Administration
Deputy Director (Research)

Attachments:

APPROVED:

28 JUN 1963

Date

George C. Miller
Assistant Director for ELINT

3 July 1963

Date

Col. Jack C. Ledford
Assistant Director for Special
Activities

28 June 1963

Date

Acting Assistant Director for
Research and Development

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THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON 25, D.C.

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ILLEGIB

[Redacted]
[Redacted] Jane 13, 1963

Dear John:

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Replies to your letter of June 11th and confirming our discussion of yesterday. It was never intended, in the preparation of the proposed D/NRO-JCS agreement, to alter in any way the basic CIA-DoD-NRO arrangement established by our agreement of March 13, 1963. Nor did I have in mind at this time suggesting any change in the basic policy of handling reconnaissance over foreign territory which, with two exceptions -- overflights of Cuba [Redacted] -- are now carried out by the Operations Division of CIA except, of course, in the case of war or periods of tension.

To the extent, however, that NRO does utilize technical and operational resources of DoD in support of reconnaissance operations, I consider it important that there be a clear-cut and well-understood interrelationship among the DoD elements concerned, particularly D/NRO and JCS-JRC. Although I believe that these interrelationships have been functioning effectively in the absence of formal agreements, I consider it necessary to spell out in written form the procedures needed to insure a continuance of this state of affairs. It is for the latter reason that the papers that I sent to you on May 29th had been prepared. In reviewing them after my discussion with you, I agree that it should be possible to achieve the same objective with simpler documentation, and to that end I am asking Dr. McMillan and Dr. Fubini to work up with the JCS a less elaborate form of paper. This agreement, of which you will, of course be furnished a copy, will be in conformity with the views expressed above and in your letter of June 11th.

Sincerely,

Honorable John A. McCone

Director of Central Intelligence

(CR-63-4819)
attached to letter to
Roswell F. Gilpatrick
John A. McCone
Dated 11 June 63

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NRO

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THE WHITE HOUSE

WASHINGTON

Attachment No. 2

June 7, 1963

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: National Reconnaissance Program

Enclosed herewith is the text of recommendations on the subject which were recently made to the President by his Foreign Intelligence Advisory Board, together with comments thereon submitted by the Director of Central Intelligence on April 15, 1963.

The President has approved the recommendations and it is requested that you furnish to this office and to the Board by September 15, 1963, a report reflecting the status of the national reconnaissance program as of that date, and progress made in meeting the objectives of the Board's recommendations.

*Briefing scheduled
for 12 Sept.*

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NRO

McGeorge Bundy

Enclosures
(for the Secretary of Defense only)

cc: Director of Central Intelligence
The President's Foreign Intelligence
Advisory Board

June 7, 1963
CJB

DIA XX-3A CONTROLLED

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RECOMMENDATIONS OF THE BOARD

Toward an Effective National Reconnaissance Office. The Director of Central Intelligence has made available to the Board a draft of a proposed "Agreement Between the Secretary of Defense and the Director of Central Intelligence on the Management of the National Reconnaissance Program." In the judgment of the Board, this draft agreement is the best conceived and most soundly detailed plan for the management, the mission and the operation of the National Reconnaissance Office (NRO) that has come to our attention. We urgently recommend its immediate adoption.

In the course of implementing the agreement and in carrying out its plan we recommend, in addition, that:

(a) a clear channel of guidance and authorization flow from the policy decisions of the President to the Secretary of Defense and, as provided in the agreement, to the Director of Central Intelligence;

(b) a clear and effective connection be established between the advance technology and planning of the national reconnaissance program, and the development plans for reconnaissance capabilities of the Department of Defense and the military services;

(c) plans be made to improve the continuity of management of the NRO, particularly with respect to career specialists who may be heavily taxed in meeting schedules for new satellites, aircraft and other reconnaissance instrumentalities;

(d) pains be taken to ensure consistency between Department of Defense directives which guide the national reconnaissance program and pertinent directives emanating from higher authority, such as National Security Council Intelligence Directives; and

(e) within the Department of Defense present and planned relationships be clarified as between the NRO, the Defense Intelligence Agency and the National Security Agency.

DIA XX-3A CONTROLLED

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COMMENTS OF THE DIRECTOR OF CENTRAL INTELLIGENCE

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The agreement on the NRO has now been completed and is in the process of implementation. This agreement, in my opinion, establishes a clear channel of guidance and clarifies the relationships and responsibilities between the Department of Defense and CIA, both of whom have serious responsibilities in this field. The agreement will ensure that there is close coordination and intense effort in advanced technology and planning of the national reconnaissance program and also the current reconnaissance efforts. We will watch closely the management of the NRO and ensure that this program is now successful in every respect.

The new agreement on the NRO provides for close relationships between the NRO and the United States Intelligence Board.

With respect to the specific recommendations on the subject, they encompass a number of obvious management problems. The arrangements for handling these problems are outlined in the recently executed NRO agreement. The carrying out of this agreement in an effective manner depends on close collaboration between the DCI and the Secretary of Defense. It should be noted that there is a natural interface between CIA and the Department of Defense in the vital and complicated area of overhead reconnaissance. Management of this problem calls also for close collaboration between responsible authorities in both departments.

The new agreement which is being implemented was reached after due consideration of the possibility of either Defense or CIA taking full responsibility for the reconnaissance program. It was decided that this would be unwise because on the one hand it would involve relocating vast resources from the Department of Defense. On the other hand it would involve a loss of responsibility and imaginativeness which exists in CIA and which has made many valuable contributions in the field of overhead reconnaissance. Moreover, transfer from CIA would run the risk of losing a vantage for secrecy which the Agency is so well qualified to protect.

The NRO agreement has been drafted with all the above factors in mind, and I concur in the judgment of the Board that it is a well conceived and soundly detailed plan for the management of this important program.

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